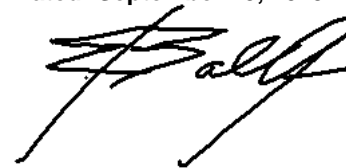


Dated: September 25, 2019



Eddward P. Ballinger Jr., Bankruptcy Judge



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re:

ARCTIC CATERING, INC.,

Debtor.

Chapter 11

Case No. 2:18-bk-13118-EPB

**STIPULATED AGREEMENT AND
ORDER DIRECTING THE
APPOINTMENT OF CHAPTER 11
TRUSTEE**

This matter initially came before the Court pursuant to Kuukpik Corporation's and Kuukpic Artic Catering, LLC's, (collectively referred herein as "**KC**") *Motion to Convert Case to Chapter 7* ("**Motion to Convert**") filed on August 16, 2019, at court docket entry number ("**D.E.**") 250. The Motion to Convert was joined by Food Services of America, Inc. ("**FSA**"). D.E. No. 255. The Court held a properly noticed hearing ("**Hearing**") on this matter on September 12, 2019, wherein counsel for the above captioned Debtor, KC, FSA and the United States Trustee for the District of Arizona ("**U.S. Trustee**") appeared. D.E. No. 276.

At the Hearing both KC and FSA asserted their positions that the facts of this case constituted "cause" as defined under 11 U.S.C. §1112(b) for the conversion of this case to a chapter 7 proceeding. The U.S. Trustee recommended that the most effective remedy would be the appointment of a chapter 11 trustee in order to allow an independent fiduciary to determine whether there was a sufficient basis to administer the estate's assets in a chapter 11 proceeding, or whether conversion to a chapter 7 proceeding would provide the greatest return to creditors. The Debtor asserted that neither remedy was appropriate and

requested the opportunity to further brief the matter. The Court directed the parties to file briefs either in support or opposition to the Motion to Convert, or in the alternative, the appointment of a chapter 11 trustee, on or before September 20, 2019. D.E. No. 276.

Counsel for the Debtor and the U.S. Trustee have met and conferred regarding this matter. These parties have reached an agreement for the appointment of a chapter 11 trustee in this case. As such, the **U.S. Trustee and the Debtor HEREBY STIPULATE and AGREE as follows:**

1. The U.S. Trustee shall file a motion to approve this stipulation with the Court in lieu of formal briefing with the Court on this matter;
2. The Debtor hereby agrees to the Court entering an Order directing the U.S. Trustee, pursuant to the United States Bankruptcy Code, upon consultation with the creditors, Debtor and other parties-in-interest to select a candidate for appointment as the chapter 11 trustee in this case.
3. Debtor has agreed to appointment of a Chapter 11 trustee for reasons of judicial economy and to avoid use of estate resources for further litigation regarding the Motion to Convert. However, Debtor does not concede that “cause” exists for such appointment pursuant to 11 U.S.C. § 1104(a)(1), nor that appointment of a trustee is ultimately in the best interest of creditors.

The Court, having reviewed and considered the above stipulation and agreement as evidenced by the parties’ signatures hereto, the entire record of this case, and good cause appearing:

THE COURT HEREBY ORDERS THAT:

A. The U.S. Trustee is hereby directed to select a chapter 11 trustee for appointment by the Court in this case upon the prior consultation with creditors, the Debtor and other necessary parties-in-interest as required by the United States Bankruptcy Code.

SIGNED & DATED ABOVE

STIPULATED AND AGREED AS TO FORM AND CONTENT:

MAY, POTENZA, BARAN & GILLESPIE, P.C.
Attorneys for Debtor

UNITED STATES TRUSTEE
District of Arizona
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